

**GREEN  
CLIMATE  
FUND**

**Meeting of the Board**

29 June – 2 July 2026

Dushanbe, Tajikistan

Provisional agenda item 11

**GCF/B.45/08**

8 June 2026

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# Status of approved fundings proposals: Waiver of Board condition in respect of FP050 (Bhutan for Life)

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## **Summary**

This document presents a request for an amendment to a Board condition relating to the basis for all disbursements, except the first, for FP050: “Bhutan for Life”, approved at the eighteenth meeting of the Board.

## I. Introduction

1. Funded activity FP050, titled "Bhutan for Life" (the "Project"), was submitted by the World Wildlife Fund ("WWF" or the "Accredited Entity"), and approved by the Board through decision B.18/08 (the "Approval Decision") with GCF funding of USD 26,557,354 in the form of a grant, alongside co-financing of USD 91,700,000. The funded activity agreement ("FAA") became effective on 5 October, 2018. At the time of writing, the Accredited Entity has received three out of five disbursements for the project, totaling USD 17,589,804 (i.e. 66 per cent of the GCF funding).
2. The Project aims to protect 52 per cent of Bhutan's territory managed under its network of protected areas, serving the country's national pledge to remain carbon neutral as stated in its nationally determined contribution. The Project is expected to achieve both adaptation and mitigation results through five components: (i) increasing forestry and land use climate mitigation; (ii) integrated adaptation in communities and ecosystems; (iii) climate-smart conservation to enhance ecosystem services; (iv) sustainable management of protected areas; and (v) programme management, safeguards and contingencies.
3. One of the conditions included in the Approval Decision requires the Accredited Entity to submit, among other things, annual performance reports ("APRs") which include reporting to ensure that relevant activities are implemented and that relevant milestones and targets are achieved, as well as evidence of co-financing commitments by the Royal Government of Bhutan ("RGoB") and the Bhutan Trust Fund for Environmental Conservation ("BT FEC") before GCF makes disbursements (other than the first) in respect of the Project.
4. The full text of the condition attached to the Approval Decision is set out in annex VI.

## II. Proposed changes

5. In accordance with the process set out in section 2.4 of the Policy on Restructuring and Cancellation adopted by the Board pursuant to decision B.22/14 (the "PRC"), the Accredited Entity submitted on 23 December 2025 a change request, including a proof of consultation with the NDA.
6. Pursuant to the change request, the Accredited Entity has requested to modify the basis of disbursements from the results-based milestone structure set out in the condition attached to the Approval Decision, to an *ex ante* structure, and to clarify the period during which the co-financing is to be provided.
7. The condition, as modified, would read as follows:
  - "(i) Submission by the Accredited Entity of the following documents:
    - (1) APRs, including technical and financial monitoring and reporting on BFL to track the extent to which:
      - Activities planned in a given year, as specified in the Funding Proposal are implemented; and
      - Progress against outputs and Indicators Targets, as specified in the Funding Proposal, relevant to a given year, has been demonstrated.
    - (2) ...
    - (3) Evidence showing RGoB budget allocation for the BFL project corresponding to a 20% real increase for the first year, and a 5.2% real increase for each subsequent year until the end of the 14th year of the Transition Fund period;

(4) Evidence showing that the RGoB through the BT FEC contributes at least 500,000 USD per year to support BFL activities for the first 14 years of the Transition Fund in addition to the RGoB budget increased specified in point (3) above; and

(5) ...”

8. In addition, the change request also included requests for GCF to approve the changes listed below which flow from and are related to the request to modify the condition attached to the Approval Decision.

- (a) Extension of Closing date and Completion date up to 24 months;
- (b) Revised Logical Framework to reflect strengthened alignment across impacts, outcomes, outputs and activities;
- (c) Updated mitigation impact calculation methodology;
- (d) Minor budget reallocations and revisions;
- (e) Updated disbursement plan;
- (f) Updated co-financing arrangements and schedule;
- (g) Updated Gender Action Plan; and
- (h) Change to Executing Entity.

9. Following consideration of these changes, the Secretariat determined that they constituted non-major changes. On this basis, the Secretariat approved such changes, with such approval only becoming effective if the Board approves the modifications to the condition attached to the Approval Decision.

### III. Secretariat’s assessment

10. Under the PRC, “Waiver” means:

- (a) A relinquishment of a condition set forth in the Approval Decision;
- (b) A material deviation from a condition set out in the relevant funding proposal or the term sheet; or
- (c) A deviation from any other condition (other than those described in paragraph (b) above) set forth in the Approval Decision.

11. In this case, as the request from the Accredited Entity deviates from the condition attached to the Approval Decision, the request constitutes a Waiver under the PRC. Pursuant to paragraph 24 of the PRC, if an Accredited Entity requests a Waiver, such Waiver shall require Board approval except in circumstances where such waiver authority has been delegated to the ED. As the Secretariat is not aware of any such delegation to the ED, this Waiver request must be submitted to the Board for its consideration and approval.

12. As WWF has provided written evidence of consultation with the NDA and the No Objection Letter, in which the NDA refers to the Waiver as “the Proposal”, the Secretariat confirms that the requirements of paragraph 26 of the PRC have been satisfied and that no adverse effects will occur to the Project’s implementation.

13. In discussions with WWF and based on the change requests received by the Secretariat on 23 December 2025, WWF notified the Secretariat that the condition has become restrictive due to the compounded impact of exogenous factors on implementation progress, including restrictions related to the COVID-19 pandemic between 2020 and 2022, administrative and

institutional restructuring following the Civil Service Reform Act of Bhutan (2022), and limitations on stakeholder engagement during the 2023 national elections. Although implementation has resumed, these factors continue to affect the timing of activities and outputs relative to original targets.

14. The Accredited Entity has demonstrated adequate progress as reported in its annual performance reports for 2019 to 2024. However, the original results-based disbursement structure has contributed to implementation constraints. To address this the Secretariat has previously agreed to some modification to the Logical Framework and Milestones, which were determined to be non-major. The Accredited Entity now considers the proposed transition from a results-based to a progress-based disbursement structure necessary to ensure the uninterrupted flow of GCF funding for the achievement of Project objectives over the extended implementation period while also ensuring that co-financing remains within the stipulated commitments.

15. The other modifications to the condition relating to co-financing commitments are being proposed to clarify that evidence of RGoB budget allocations and BTFEC contributions is required only through Year 14 of the Project, so as to ensure that the proposed 24-month extension does not trigger additional co-financing obligations beyond those originally agreed.

16. The Secretariat has endorsed the request. The proposed revisions to the condition are driven by implementation delays, revised activity sequencing, and observed expenditure patterns that necessitate closer alignment between progress reporting and disbursement assessments over the extended implementation period.

17. The Secretariat notes that the original results-based disbursement structure, while appropriate at the time of the Approval Decision, has proven restrictive under evolving implementation realities. By making the disbursement conditions more focused on progress, it ensures that the GCF funding flows to the Project without disruption for the achievement of the Project objectives.

18. The Secretariat further notes that:

- (a) The total GCF funding amount of USD 26,557,354 and overall co-financing commitments of USD 91,700,000 remain unchanged;
- (b) The project's fundamental objective, protecting 52 per cent of Bhutan's territory under its managed protected areas network, remains unchanged;
- (c) The waiver does not introduce additional financial exposure to GCF; and
- (d) The proposed changes affect the modality of disbursement rather than the scope, objectives or financing structure of the Project.

19. Having evaluated the request and the justification provided by the Accredited Entity, the Secretariat acknowledges the proposed modifications to the condition and recommends the Waiver request to be considered by the Board.

#### **IV. Recommendation**

20. In light of the above considerations, the Secretariat brought the Accredited Entity's request to its Operations Committee which endorsed the request. As such, the Secretariat recommends the Board consider the information in this document, supporting documents, and adopt the draft decision in annex I to this document.

## Annex I: Draft decision of the Board

The Board, having considered document GCF/B.45/08 titled “Status of approved fundings proposals: Waiver of Board Conditions in respect of FP050 (Bhutan for Life)”:

- (a) Approves the waiver of the Board condition as described in document GCF/B.45/08;
- (b) Agrees that the following condition for FP050 that was set out in Decision B.18/08, Annex XIII, Table 2:

“(i) Submission by the Accredited Entity of the following documents:

(1) APRs, including technical and financial monitoring and reporting on BFL to ensure that:

- All Activities planned in a given years, as specified in the Funding Proposal are implemented; and
- All Milestones and Indicators Targets, as specified in the Funding Proposal, relevant to a given year are achieved.

(2) ...

(3) Evidence showing RGoB budget allocation for the BFL project corresponding to a 20% real increase for the first year, and a 5.2% real increase for each subsequent year until the end of the 14 years Transition Fund period;

(4) Evidence showing that the RGoB through the Bhutan Trust Fund for Environmental Conservation contributes at least 500,000 USD per year to support BFL activities throughout the 14 year life of the Transition Fund in addition to the RGOB budget increased specified in point (3) above; and

(5) ...”

shall be modified to read as follows:

“(i) Submission by the Accredited Entity of the following documents:

(1) APRs, including technical and financial monitoring and reporting on BFL to track the extent to which:

- Activities planned in a given year, as specified in the Funding Proposal, are implemented; and
- Progress against outputs and Indicators Targets, as specified in the Funding Proposal, relevant to a given year, has been demonstrated.

(2) ...

(3) Evidence showing RGoB budget allocation for the BFL project corresponding to a 20% real increase for the first year, and a 5.2% real increase for each subsequent year until the end of the 14th year of the Transition Fund period;

(4) Evidence showing that the RGoB through the BTFEC contributes at least 500,000 USD per year to support BFL activities for the first 14 years of the Transition Fund in addition to the RGOB budget increased specified in point (3) above; and

(5) ...”

- (c) Authorizes the Secretariat to negotiate and execute the relevant legal agreements to reflect the changes approved in paragraph (b) above.



## Annex II: No-objection letter submitted by the Ministry of Finance of the Royal Government of Bhutan on 19 December 2025



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Ministry of Finance  
Royal Government of Bhutan  
Department of Macro-Fiscal and Development Finance

MoF/DMDf/DCDMD\_GCF\_NDA/2025-26/1688

19 December, 2025

To: The Green Climate Fund ("GCF")

Re: No-objection letter in respect of the funding proposal titled "FP050: Bhutan for Life" submitted by World Wildlife Fund, Inc. (WWF)

Dear Madam, Sir,

We refer to the funding proposal titled "FP050: Bhutan for Life" in Bhutan submitted by WWF to us on 16/12/2025. (the "**Proposal**").

The undersigned is the duly authorized representative of Department of Macro-fiscal and Development Finance, Ministry of Finance, the national designated authority of Bhutan.

Pursuant to GCF Decisions B.08/10, B.37/22, and B.41/02, the content of which we acknowledge to have reviewed, in my capacity as focal point, we hereby communicate our no-objection to the Proposal.

By communicating our no-objection, it is implied that:

- (a) The government of Bhutan has no-objection to the Proposal; and
- (b) The Proposal is in conformity with the national priorities, strategies and plans of Bhutan.

We also confirm that our national process for ascertaining no-objection to the Proposal has been duly followed.

Notwithstanding the foregoing, we expect WWF to take the necessary measures to ensure that the project as described in the Proposal is implemented in a manner consistent with applicable national laws.

Finally, we request the GCF Secretariat to appoint a task manager to facilitate the review and approval of this Proposal expeditiously recognizing the importance of adaptive management for continued success of this critical Project for Bhutan.


We acknowledge that this letter will be made publicly available on the GCF website.

Kind regards,

[Tshering Dorji]  
[Director General]  
[Department of Macro-fiscal and Development Finance, Ministry of Finance, Bhutan]



## Annex III: Email from the accredited entity requesting a Waiver, dated 30 May 2026

 Outlook

### WWF AE Email for FP050 Board Package

From Danielle Lien <[REDACTED]>  
Date Sat 5/30/2026 12:32 AM  
To Steven Burak <[REDACTED]>  
Cc Lucas Black <[REDACTED]>; Shagai Mandakhbayar <[REDACTED]>; Rolando Castellares <[REDACTED]>

Dear Steven,

As previously discussed and communicated in writing with the GCF Secretariat, WWF (as Accredited Entity) formally requests a Waiver (as defined in section 4(m)(iii) of the Policy on Restructuring and Cancellation) and amendment to the relevant Board-approved disbursement conditions for FP050, with reference to the applicable Approval Decision (B.18/08, Annex XIII).

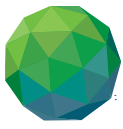
In particular, WWF requests a deviation from the relevant Board-approved conditions applicable to disbursements beyond the first that are reflected in the Decision, which shall now read as follows:

"(i) Submission by the Accredited Entity of the following documents:

1. APRs, including technical and financial monitoring and reporting on BFL to track the extent to which:
  - Activities planned in a given year, as specified in the Funding Proposal, are implemented; and
  - Progress against outputs and Indicators Targets, as specified in the Funding Proposal, relevant to a given year, has been demonstrated.
2. ...
3. Evidence showing RGoB budget allocation for the BFL project corresponding to a 20% real increase for the first year, and a 5.2% real increase for each subsequent year until the end of the 14th year of the Transition Fund period;
4. Evidence showing that the RGoB through the BTFEC contributes at least 500,000 USD per year to support BFL activities for the first 14 years of the Transition Fund in addition to the RGOB budget increased specified in point (3) above; and
5. ..."

This request follows consultation with the Host Country's National Designated Authority, evidence of which has been provided to the Secretariat. This waiver is occurring alongside subsequent changes which have been discussed with the Secretariat and assessed as 'non-major', including an Extension of Closing date and Completion date up to 24 months; Revised Logical Framework to reflect strengthened alignment across impacts, outcomes, outputs and activities; Updated mitigation impact calculation methodology; minor budget reallocations and revisions; Updated disbursement plan; Updated co-financing arrangements and schedule; Updated Gender Action Plan; and Change to an Executing Entity to reflect ministry's new name in the Civil Service Reform Act of 2022 .

Best regards,  
Danielle



**Danielle Lien** (*she/her/hers*)

Lead, Green Climate Fund (GCF) Relations & Implementation Oversight

GCF Accredited Entity

World Wildlife Fund

1250 24th Street NW

Washington, DC 20037-1193

Mobile: [REDACTED]

Email: [REDACTED]

Webpage: [worldwildlifefund.org/gcf](http://worldwildlifefund.org/gcf)



together possible

WWF

## Annex IV: List of GCF Board conditions for FP050

FP Number	Conditions
FP050 (WWF Bhutan)	<p><u>Satisfaction of the following conditions prior to the signing of the FAA</u></p> <p><i>Relevant Secretariat conditions</i></p> <ul style="list-style-type: none"> <li>(i) Confirmation by the Accredited Entity on the fiduciary capacity of the Executing Entities, to assess capacity, policies, procedures and controls of the Executing Entities meet WWF's financial management and procurement standards; and</li> <li>(ii) Confirmation in writing by the Accredited Entity that all co-financing that is necessary to close the Transition Fund in the amount of USD 91,670,648 is fully committed in the form of legally binding agreements.</li> </ul> <p><u>Satisfaction of the following conditions prior to the first disbursement under the FAA:</u></p> <p><i>Relevant Secretariat conditions</i></p> <ul style="list-style-type: none"> <li>(i) A written confirmation by the Accredited Entity that the Transition Fund has the authority and capacity to receive, hold and manage funds.</li> </ul> <p><u>Satisfaction of the following conditions prior to all disbursements under the FAA, except the first:</u></p> <p><i>Relevant Secretariat conditions</i></p> <ul style="list-style-type: none"> <li>(i) Submission by the Accredited Entity of the following documents: <ul style="list-style-type: none"> <li>(1) APRs, including technical and financial monitoring and reporting on BFL to ensure that: <ul style="list-style-type: none"> <li>- All Activities planned in a given year, as specified in the Funding Proposal are implemented; and</li> <li>- All Milestones and Indicator Targets, as specified in the Funding Proposal, relevant to a given year are achieved.</li> </ul> </li> <li>(2) Evidence showing no-net-loss of area under Protected Areas;</li> <li>(3) Evidence showing RGoB budget allocation for the BFL project corresponding to a 20% real increase for the first year, and a 5.2% real increase for each subsequent year until the end of the 14 years Transition Fund period;</li> <li>(4) Evidence showing that the RGoB through the Bhutan Trust Fund for Environmental Conservation contributes at least 500,000 USD per year to support BFL activities throughout the 14 year life of the Transition Fund in addition to the RGOB budget increases specified in point (3) above; and</li> <li>(5) Report of the activities and hectares of restored and reforested land.</li> </ul> </li> </ul>